

Organic Perspectives

April 2002

AgExport Services Division
Foreign Agricultural Service, USDA

Japan Organic Equivalency Agreement Available On-line

The series of letters that codifies the agreement between the Japan Ministry of Agriculture, Food and Fisheries (MAFF) and USDA is available at:

<http://www.ams.usda.gov/nop/japanagreement.htm>

Under this agreement, MAFF has officially recognized that USDA's national organic standards for the production, handling, and processing of plant-based organic agricultural products meet the requirements of the Japanese Agricultural Standards. This official recognition means that plant-based agricultural products from United States operations certified as meeting U.S. organic standards may be labeled or represented in Japan as organic. The recognition agreement does stipulate, however, that alkali-extracted humic acid, lignin sulfonate and potassium bicarbonate, may not be used in raw or processed organic food exported to Japan. These substances are allowed under the U.S. organic standards.

A USDA accredited certifying agent will issue an export certificate for each shipment of organic products to be exported to Japan. The export certificate will accompany the shipment as a part of the shipping documents. For more information contact Keith Jones, AMS, National Organic Program, at 202-720-3252.

The Netherlands Update: A Possible Target for Increasing Export Potential of Lower-Priced Organic Commodities

While the Dutch remain price-sensitive as compared to other EU countries, certain population segments continue to experiment with organic foods. Those under 35 years of age without children tend to play a major role in consumption of organic vegetables, fruits, dairy, eggs, bread, cereals, meat replacers, and beverages. The Dutch Food Retail Organization is forecasting that 10 percent of Dutch consumers will frequently eat organic food products by 2010. Currently, domestic expenditures on organic food and beverages are 1.5 percent of total organic food sales or about \$317 million. Dutch food buying organizations increasingly import less expensive organic food products to be able to serve Dutch supermarket chains that wish to



expand their product line. China and Brazil are the main competitors of the United States since they have access to cheaper raw materials and finished product. For the full report, please refer to [NL2015](http://www.fas.usda.gov/gainfiles/200203/135683800.pdf).
(<http://www.fas.usda.gov/gainfiles/200203/135683800.pdf>)

The Organic Trend in Brazil Displays High Potential

Trade sources estimate that Brazil has approximately 150,000 hectares of certified organic and in-conversion area. Sales of organic products in 2001 reached US\$100 million, an 86 percent increase over 1999. The local market consumes approximately half of this total with the remainder exported, mainly to Europe, Japan, and the United States. The following table summarizes some points for interested US suppliers of organic products:

Advantages	Challenges
Brazilian supply of organic items is very limited, encompassing perishable and semi-processed products.	Sell the concept of organic processed items to consumers.
The Brazilian food processing industry has not yet showed the ability to develop organic processed items.	Sell the concept of organic processed items to trade.
Domestic organic products are currently overpriced (on average up to 300% compared to conventional	The tendency of traders to apply higher margins on organic items regardless of the price negotiated with suppliers.

items). Therefore, imported products can find a feasible place inside this premium niche and still be competitive.	
U.S. products are viewed as high quality. Therefore, if an American product is not certified organic locally, it will not mean that it necessarily loses its creditability among consumers. Organic product consumers tend to be more educated and will use their own judgment in considering the original organic seal.	While a certifying process for imported items has not yet been implemented, exporters will need to develop their company image to consolidate the image of organic products

For the full report, please refer to [BR2002](http://www.fas.usda.gov/gainfiles/200203/135683610.pdf).
(<http://www.fas.usda.gov/gainfiles/200203/135683610.pdf>)

Guatemala Update: Building Production to Meet Global Demands

Organic production methods in Guatemala began in 1987 with the organic certification of coffee farms. In the early part of 1990, increased production of fruits, vegetables, and coffee led to the emergence of several certified farms for coffee and vegetables. In 2001, several organized groups and private entities became involved in the process of producing and/or certifying organic

foods. Organic food certification agencies (OCIA, Oregon Tilth, QAI, BCS Oko Garantie, Naturland and Mayacert) in Guatemala have norms and regulations for each company or entity to guarantee the origin, quality, process, and commercialization of organic products.

Of the estimated 400,000 MT of total vegetable production, only 1,000 MT are organically produced and designated for the export market. Of total production, 153,459 MT is exported with 61,465 MT being exported to the United States. Essentially all of the organic production is produced for exporting to United States and the European Union. For the full report, please refer to [GT2003](#).

(<http://www.fas.usda.gov/gainfiles/200203/135683621.pdf>)

Argentina Update: Organic Production Growing at Alarming Rates

Argentina's organic production has been growing rapidly from near zero in the early nineties to \$34 million in 2000. Approximately 90 percent is exported and only 10 percent, destined for domestic consumption. Based on the increasing interest of supermarkets in organic foods, good possibilities are opened for a larger demand of both domestic and imported organic products. However, imported organic foods must be officially recognized as meeting organic standards that are equivalent to Argentina's standards of which the United States does not have. The current financial crisis and steep devaluation will combine

with expanding, low-cost domestic production to make U.S. organic sales to Argentina especially challenging in the short term. For the full report, please refer to [AR2007](#). (<http://www.fas.usda.gov/gainfiles/200203/135683750.pdf>)

Consumer Attitudes on Organic Products in the UK

A recent commentary reported in Reuters (LONDON) magazine entertained the plausibility of whether or not organic products offered the better option for consumers interested in healthier diets. A poll taken at two central London supermarkets indicated that most consumers were aware of the specifics that attracted them to organics products. Many customers believe that all organic products are free of pesticides and locally grown, however, are not aware that there are some trace amounts of approved pesticides that can be used on organic products and that nearly three-quarters of organic food in Britain is not locally grown but imported to meet growing demand. Nevertheless, information is being produced that promotes strong recognition for health benefits. For example, [New Scientist](#) magazine reported organic soup to have nearly six times as much salicylic acid (known to help prevent hardening of the arteries and bowel cancer) as conventional soup.

The Soil Association, London's largest certifying body for organic products, reported that demand for organic food is increasing by about

33 percent annually. Britain's organic industry strives to eliminate the use of artificial pesticides and fertilizers by rotating crops to maintain soil fertility (as with most developed countries).

Whole Food Market to Open Its 132nd Branch in New England

Whole Foods Market, more commonly known as Fresh Fields, will open an additional store in Providence, Rhode Island on May 2, 2002. This 38,000 square foot building will feature window seating for 50-60 persons, spacious aisles, attractive surrounding, and will feature organic prepared foods, bakery items, coffee beans, meat/poultry, dairy, specialty items, and body care items. There are plans to open its first Canadian store in Toronto in May of this year, as well. As the largest, natural and organic foods supermarket, the company had sales of \$2.3 billion in 2001 (Source: Whole Food Market Report and Organic Business News- Volume 14, No. 3).

“Eat Organic Vegetables and Make Mother Happy” says, Giant Foods

In Honor of Earth Day, Giant Foods sponsored an advertisement piece in the *Washington Post's* Health Column that touted the environmental benefits of eating organic produce. With April established as the month of organic food, the communicated message is that “organic farming reduces soil

erosion and limits the use of chemical, lakes, rivers, and drinking waters stay cleaner.” In stores, Giant Food will provide information that will help consumers understand the organic farming process and the regulations governing organic meat and produce.

the *Washington Post's* Health Column that touted the environmental benefits of eating organic produce. With April established as the month of organic food, the communicated message is that “organic farming reduces soil erosion and limits the use of chemical, lakes, rivers, and drinking waters stay cleaner.” In stores, Giant Food will provide information that will help consumers understand the organic farming process and the regulations governing organic meat and produce.

USDA News

The [National Organic Program](#) (NOP) is required to establish a specific position on whether or not to ban non-accredited imports of organic products after the October 21 deadline. Foreign imports that are not certified by a recognized or accredited certifier may face a possible ban if the NOP, the industry, and the National Organic Standards Board find it necessary (Source: Organic Business News- Volume 14, No. 3).



Upcoming Events

International – 2002

May 13-14 – ORGANEX, Organic Food Show, Paris, France. Contact information: Caroline Joucla-Fabre or Paola Goyon at (33-1)41 18 8618 or via email paola_goyon@groupemm.com or caroline_joucla-fabre@groupemm.com.

Domestic - 2002

May 9-11 - All Things Organic, Organic Trade Association trade show and conference, Austin, TX. Contact info: Dave Gagnon at dgagnon@ota.com.

***October 3-6** - Natural Products Expo East, Washington, DC. Contact Info: New Hope Media at 1-866-458-4935 and via internet tradeshows@newhope.com.

**Indicates a USDA-endorsed show.*

ADDITIONAL RESOURCES

FAS Organic Products Page <http://www.fas.usda.gov/agx/organics/organics.html>

FAS's Trade Shows and Other Marketing Events site - a complete list of international food and trade shows including those for conventional products.
<http://www.fas.usda.gov/scripts/agexport/EventQuery.asp>

National Organic Program web site - www.ams.usda.gov/nop

Organic Trade Association - comprehensive listing of organics/sustainable agriculture events: www.ota.com

National Organic Initiative - international promotional opportunities for U.S. growers/exporters of organic/natural food sponsored by State Regional Trade Groups:
<http://www.susta.org/generic/organic.stm>

Organic Perspectives is edited and compiled by Pam McKenzie, AgExport Services Division Tel: (202) 205-3771 - Fax: (202) 690-0193 - E-mail: pam.mckenzie@fas.usda.gov
